The future of the marketing department at business schools

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By almost any measure, marketing academia is in a better shape than it has ever been. Job prospects for PhD students have improved substantially in recent years. According to the 2017 Marketing Academia Labor Report, there were 1.83 candidates per new assistant professor (“rookie”) position compared to 2.85 to 1 in 2010. Moreover, there are 37 open positions for advanced assistant professors with only 14 people looking for such positions. The median 12-month salary for entry-level positions is \$190,000, up from \$162,260 in 2010. Colleagues in the School of Arts & Sciences, as well as most people in the government or private sector, would gladly enjoy such opportunities.

Further, academic output as measured by articles in the traditional top journals (*Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, and *Marketing Science*) has increased substantially in the last decade, and other journals such as the *Journal of the Academy of Marketing Science* and *International Journal of Research in Marketing* have achieved top journal status in most parts of the world.

Last but not least, academic marketing is increasingly a global rather than an exclusively U.S. affair. Major research schools have emerged in Europe (e.g., London Business School, Tilburg, Mannheim, Insead) and Asia (e.g., Indian School of Business, Singapore Management University, Tsinghua, HKUST). All these schools are vying for the best talent, offering attractive teaching and research conditions for marketing academics.

These positive developments are underpinned by an increase in interest among undergraduate and MBA students in marketing, a consequence of the global financial crisis which has brutally uncovered flaws in the finance system. No longer do marketing departments need to play second fiddle to finance departments.

Yet, well-justified satisfaction with where we are should not make us complacent. Looking forward, our field must recognize and formulate a response to developments around the two major dimensions of our work as marketing academics: teaching and research. In this editorial, I present my views on these issues, informed by working 35 years in marketing departments at four universities in three countries, including chairing departments at two universities for nearly 20 years, and leading the graduate program in business at a third university. You may agree with some ideas and disagree with others. That is fine. Keep in mind that there is no single way to Rome. The key is to think about these developments and formulate responses that best fit the culture and tradition of your own business school and marketing department.

Teaching

Our teaching model dates back to the establishment of the world’s first university in Bologna (Italy) in AD 1088. The premise of this teaching process is information dissemination through lecturing and discussion in a classroom where professor and students are in close physical proximity. While this model proved its worth for centuries, it is not easily scalable. Generally, if class size exceeds 50, the proportion of students that actively participates drops significantly. The solution is to teach the same course in multiple smaller sections. This has three important implications. First, we need a lot of costly classroom space. Second, we need many instructors to teach

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all these sections. Third, as a corollary to these first two implications, it is very expensive, making our current model increasingly untenable. Year after year, tuition costs at both public and private universities rise faster than incomes. In 1971 the tuition for a public (private) 4-year U.S. college was \$428 (\$1832) per year. By 2015 tuition had risen to \$9420 (\$33,479) per year, a 2100% (1737%) increase. In the same period, the median income for men increased only 438% and for women 887%.¹ This has led to student loans being the second highest consumer debt category—behind only mortgage debt—and higher than both credit card debt and auto loans. There are more than 44 million borrowers with \$1.3 trillion in student loan debt in the U.S. alone. The average student who graduated in the Class of 2016 has \$37,172 in student loan debt, which is a drag on economic growth and limits what they can spend on other necessities such as housing and cars. This cannot go on. The pressure to reduce costs through increasing efficiency in teaching will become stronger.

In response to this pressure we will see a massive shift from offline to online teaching in the next decade. If done well, this will both reduce costs and improve instruction quality. For many marketing courses (admittedly, considerable variation exists), the lecturing portion can easily account for 50% of total contact hours. If that part is video-taped, and watched by students in their dorms, contact hours can be cut in half. This so-called “flipped classroom” approach can increase teaching productivity per faculty member substantially. Moreover, students can view difficult materials multiple times, unlike the offline context—this should encourage more courses in quantitative marketing, an area that is usually rather challenging for many students but of crucial importance in today’s data-rich environment. There is an additional benefit, which is especially important for the core marketing class. As this is a required course for all undergraduate/MBA students, the number of sections can be large. Yet, not everybody is equally successful in teaching the core. By taping the lectures of the most gifted core instructor, all students benefit from the school’s teaching star.

The flipped classroom model is not without its drawbacks though. Two stand out. First, it requires student discipline. While class attendance is typically monitored in one way or another, that is not the case for in-dorm watching of teaching material prior to class. For most schools, flipped classrooms’ potential to generate teaching efficiencies is greatest in the undergraduate program, and not all of these students might have the required maturity and self-discipline to do this. Second, producing high-quality videos is costly and time-consuming. If subject material changes fast (e.g., digital marketing), the lifecycle of the taped material may not be much

longer than one year, and the economic benefits of the flipped classroom model will not materialize.

One step further along this path is to move the program completely online. Although online degree programs are still relatively few, they are more easily scalable since no classrooms are required. A course in such programs typically consist of an asynchronous (lecture) part and a synchronous part in which virtual groups of 15 students meet online to discuss cases, results of simulation exercises, etc. Again, this is not for everyone. Some students may like the virtual groups because they expect to be working in virtual groups themselves, while others miss the close contact and camaraderie offered by physical proximity.

Undoubtedly, other teaching models will emerge in the coming years. But I am convinced that marketing teaching will be revolutionized by the online channel and be virtually unrecognizable by 2025.

Research

While marketing academics care deeply about teaching, many of us are more excited about and fulfilled by research. Our field has made great strides in academic rigor since the 1959 Ford report lambasting the quality of business schools. But perhaps now that marketing is firmly established as academic discipline, it is the right time to reassess what we are doing and how we are evaluating success. I will highlight four issues.

Are we proud to be marketing scholars?

I believe it is time we stand on our own feet, rather than trying to be accepted by so-called core disciplines such as economics and psychology, something that I sometimes observe in conversations with colleagues. Why do we have an academic inferiority complex? These so-called core disciplines certainly are not looking for our approval. Might it be because we tend to borrow much more heavily from other fields than the other way around (Pieters and Baumgartner 2002)? Rather than seeing this negatively, might we not regard this as open-mindedness of a field, which recognizes that disciplines can learn from each other—something that in fact would serve other disciplines well too?

Economics has come up with “clean” and mathematically elegant representations of the marketplace, ranging from individual consumers to the macroeconomy. However, by making many assumptions, these economic models have serious limitations. In a provocative paper focused on macroeconomic models, Paul Romer (2017) even maintained that “For more than three decades, macroeconomics has gone backwards.” Turning to psychology, a huge, collaborative research project attempted to recreate 100 studies that were recently published in major psychology journals (including *JPSP*). Published in

¹ See <https://college-education.procon.org/view.resource.php?resourceID=005532>.

Science, the research project found that the reported effects of fewer than half the original studies could be replicated. When effects were replicated, they often were substantially weaker or smaller than in the original study (Open Science Collaboration 2016). I do not at all want to downplay the important scientific accomplishments in economics or psychology. However, I do want to point out that these disciplines are not without their own very serious issues.

In contrast, many marketing scholars recognize the inherent “messiness” of consumer and market behavior. Let us focus on cleaning up this “mess” by drawing on insights from our own discipline and other disciplines, rather than being dazzled by so-called core disciplines that may assume away many factors, either through mathematical assumptions, random assignment, or another mechanism. By tackling the complexities of the real world, we can be ahead of other disciplines, and such work is often highly impactful. Indeed, research that originated robustly within marketing—such as service quality, market orientation, and experiential consumption to name a few—has received tens of thousands of citations, to put it conservatively. Clearly, the academic market recognizes the value of homegrown constructs and theories.

How can we encourage more work in that mold? Perhaps we could start with the PhD program. I wonder whether not more PhD students have read Tirole (1988) as part of their course work than e.g., Kotler and Keller (2015), Hoyer et al. (2017), or Kapferer (2012)? While these latter books may be derided as “simple” textbooks (that is not my point of view), they are actually packed with valuable homegrown knowledge about marketing. Reading those books gives students a better appreciation for the field of marketing per se. More generally, are not many of our PhD programs too heavy on methods and too light on marketing theory? Do we not place too much weight—and status—on methodological skills versus substantive learning? Let me illustrate this imbalance with a recent event. When we were interviewing at AMA, we noticed that one candidate only had method courses on his vita. We asked why he had not taken any substantive courses. In fact he had, but his advisors advised him to not mention this lest it sent out the wrong signal....

What kind of research should we be doing?

Marketing is part of a professional school. Tuition dollars from aspiring business professionals and alumni gifts support our research, not grant funding. We train people to become effective managers in a complex and rapidly changing environment. Because we serve a business audience, we earn much higher salaries than colleagues in most other schools. Should we not deliver *quid pro quo*? Don't we have the obligation to give back by doing research that is not only academically rigorous but also managerially relevant? However, this—in my opinion—straightforward notion has been

controversial for decades (e.g., Morris Holbrook's classic “cats versus dogs” treatise in the ACR newsletter).²

It is true that “selling out” to industry is not good, and can even lead to unethical practices, such as selectively finding “evidence” that supports company interests. But we should not throw the baby out with the bathwater. Doing managerially relevant research does not mean that every paper is a consulting project or that basic research does not play a role in the discipline's ability to eventually address key problems. However, there is no denying that marketing is about studying markets and firms play a key role in these markets. We talk to consumers to be inspired and get research ideas. Why not also talk to managers and use managerial priorities (e.g., research priorities of the Marketing Science Institute), as sources of inspiration? Being knee-deep in the marketplace, managers are sometimes ahead of us in spotting issues. For example, I got the inspiration for my work on private labels from a long talk I had with Paul Polman, then President of P&G Europe, now CEO of Unilever. He was really concerned about private labels but did not really understand the phenomenon, and what was driving their success. I figured that if P&G did not understand a key new feature in the marketplace, it was worth studying. My work on response styles really accelerated after top managers of a leading CPG firm raised the issue with me when I presented cross-national survey data. They were highly concerned about the issue but did not really know how to solve it. That motivated me to make this methodological work a central part of my basic research, which is still going on.

Synergy versus balkanization

Are we truly creating synergy rather than fostering balkanization in our research and our departments? Regrettably, we increasingly witness a bifurcation in our discipline between “behavioral” and “quant/managerial” research and researchers. It was not always like that (just check early issues of *JCR* and *Marketing Science*). The situation today reminds me of what the famous nineteenth century British prime minister and novelist Benjamin Disraeli (1845/1980) wrote in *Sybil, Or the Two Nations* about the social classes in Britain: “Two nations between whom there is no intercourse and no sympathy; who are as ignorant of each other's habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets.” Perhaps the analogy is a bit too strong, but how many scholars these days regularly attend both quant and behavioral conferences? It is my impression that relatively few quant/managerial researchers regularly read *JCR*, and relatively few behavioral researchers read *Marketing Science*, because they find little of value to their own research in that journal.

² I acknowledge Mark Houston, who suggested this example.

I think many schools are aware of this, and have formulated their own response, which best suits their tradition or research culture. Some have decided to give disproportionate focus to one area, be it behavioral or quant/managerial (it appears to me that quant and managerial are experiencing a *rapprochement*), or even within these broad buckets on a subdomain, such as economic modeling or ethnographic research, by building on unique strengths of their groups or university. This is consistent with the focus strategy we teach in our core marketing class. Other marketing departments have not given up the hope that synergies are out of reach. They have opted to work harder on creating more bridges among the areas. If successful, this will create new intellectual vibrancy that comes from combining research fields, something that can be observed in other disciplines. Indeed, many great scientific achievements have emerged by fusing elements from diverse disciplines—think about biochemistry, astrophysics, geo-paleontology, biomedical science, neuro-economics, or behavioral economics. Either approach may be preferable to doing nothing and letting the balkanization go on.

Citations and publications

Finally, in the sciences, impact metrics such as citations and h-index are at least as important as number of A publications to evaluate a person's research standing. What good does it do if one produces many articles in top journals if they are rarely cited? In our field, even long-term impact awards are often awarded without information on citations. This makes little sense to me. How can a paper have high impact if its citation count is low? The argument I often hear is that high citations do not necessarily prove the paper has high impact, that citations do not weight for the quality of the cite, etc., and hence citations should not be used. I agree that citations is a fallible indicator, but this indicator nevertheless contains a high proportion of trait variance. Citations are a necessary, albeit not a sufficient condition for impact. Few would argue that if two papers are under consideration for a long-term impact award and one has 500 citations and the other has 400 citations, the former should therefore automatically be given the award. However, if one has 500 citations and the other has 80, the burden of proof is on the authors of the low-cited paper to show that the paper has really had a major impact and why that does not show up in citations.

Marketing is an empirical field, but we too often are reluctant to use the most straightforward quantitative metric of impact, one that is widely used in the “hard” and life sciences. I believe information on citations should be provided for any

impact award, whether it is for an individual paper or for a lifetime prize. More generally, if we give more weight to citations for evaluating performance, this may provide an added impetus to original, homegrown marketing theories as we have seen that this kind of work generates disproportionate number of citations.

In closing

Online education models offer unrivaled potential to improve the efficiency and quality of our teaching. Resources thus freed up can be used to contribute to bringing tuition costs down and give faculty more time to do research. This brings me to the question concerning research. Scholars have repeatedly warned that marketing scholarship may be headed toward marginalization (Reibstein et al. 2009). It appears to me that such *cris de coeur* are respectfully acknowledged but follow-up may not have been as vigorous. This reminds me of Ronald Coase who in 1972 lamented that his landmark 1937 article “The Nature of the Firm” had been “much cited, but little used.” Well, he finally got the Nobel Prize for it in 1991. We do not have the luxury of waiting 50 years.

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